

TRANSCRIPT of 2013 Albany Matchmaker Workshop: *ABCs of Government Contracting* - May 30

Good morning everyone. My name is Steve Barr, I'm the program manager of the North Country PTAC. Today we'll be talking about the ABCs of Government Contracting to prepare everyone for the Albany Matchmaker. Before I get started, I'll review a brief presentation about PTACS. PTACs are actually a program authorized by Congress and supported through the Department of Defense. We are not federal employees but we do have training through federal employees. We offer one-on-one contracting assistance with government contracts. Here is a list of my current funding sources for my area, which covers from Syracuse to Plattsburgh and on the next slide I have a map of New York State. As you can see, there is a breakdown of coverage. If you are in a no coverage area, you can contact your nearest PTAC and we'd be happy to help you. If you don't know which PTAC is closest to you, please feel free to contact me and I'd be happy to point you in the right direction. If you are looking for point of contact information, please visit the link on the bottom of the slide. Quickly I do want to thank Joe from the Cattaraugus PTAC for putting this map together, as it's been really helpful. As you can see on the map, a good portion of the state is covered, so please feel free to contact me.

We cover government contracting at the federal, state and local levels for you. We'll go over today registrations and certifications and we'll talk briefly about bid solicitations and types of proposals. The local PTAC can help you put together a good plan for it, how to understand individual contract types and which contract you'll be bidding on. Today we'll talk about different types of contracts for open solicitation. We will also help you market your business to government agencies, federal contractors and primes through capability statements. I know a workshop has been conducted that gives you an overview on how to make the matchmaker work for you. It was recorded and posted by Eric Choi of SBA. So you can go back to the Albany Matchmaker website and review the *Making the Matchmaker Work for You* webinar at a later point.

We provide one-on-one counseling and also do group counseling. We do presentations, webinars and seminars to help you find bid matches. We have a bid matching program which takes your capabilities and helps you find government contracts through email for you. We'll send you those leads by email as part of our free service so feel free to take advantage of that as well. Some of this material is from previous webinars so I am going to skip right ahead to the slides for today's presentation, *ABCs of Government Contracting*.

We'll cover what steps you need to do to get ready. Also, how to get registered. We'll spend most of our time today going over the System for Awards Management, which is required for you to be in to receive federal contracts. We'll cover how the federal government purchases products. First, what are the major steps you need to take? You need to have a business plan. Talk to your local SBA office or Small Business Development Center and they can help you put together a business plan. While you put that plan together, make sure you target the government marketplace as an interest. It's good to plan for and keep you on track. Secondly, identify your opportunities. Does your product or service match well with what the government is looking for on the state or federal level? We can go through www.fbo.gov which will take you through any contract \$5,000 up to \$5 million or so. Small contract amounts are posted on individual agency websites or used through credit card systems, which we'll talk about a little later

towards the end of today's presentation. Also, you can check their procurement history as well by running reports in the data system on what products have been used in the past. So FBO has history reports as well. What's also nice is the forecast area of opportunities. Every agency in the federal government is required to annually put out their forecast of anticipated buys so you can know when those are coming through. On the very bottom of FBO.gov there is a link for procurement forecasts and upcoming projects. You'll also need to register with your local PTAC, which will help you identify opportunities. If you're not ready for government contracting at that point, the PTAC will let you know that and help you become ready. So please feel free to contact the PTAC before you begin your endeavor in government contracting because we can make your life a lot easier when it comes to registrations, certifications and protocols. Also, you'll need an idea on how to market your goods and services to the government as previously discussed. There is still plenty of time to sit down one-on-one with a PTAC to get ready for the upcoming Albany Matchmaker, whether you need a marketing piece or capability statement to bring to the matchmaker. Please feel free to contact us and we'd be happy to guide you through the process and get ready to bid on open contracts.

Let's jump right to registrations. The registration part will probably be the most time consuming part of doing work with the government. This process should take about a week once everything is squared away, and that includes review time. We'll talk about Dun & Bradstreet and their role in government contracting. For those of you who have been in the federal marketplace for a while, SAM went live a little over a year ago and incorporated CCR and ORCA. Over the next few years, more contracting systems will be added to SAM so please get comfortable using it as it will be used heavily in government contracting going forward. Every federal agency government-wide will be required to use this as well. Now I'll take you through what SAM will look like once you're in the system. And for those of you are in the old CCR system, we'll talk about how to migrate your account over to SAM.

Dun & Bradstreet plays a very important role in government contracting. Go to <http://fedgov.dnb.com/webform> - this link will take you to get your free Dun & Bradstreet number. This is an online process, where you'll enter in your company name, phone number, points of contact etc. This should take you probably 15 minutes to complete this registration, submit it, and usually 24-48 hours later you'll receive an email from Dun & Bradstreet with your nine digit DUNS number. Those nine digits are unique to you and you're the only one with access to this number. You'll need the number to get into SAM. Please keep in mind those of you who are sole proprietors, to Dun & Bradstreet your business name is your legal name and your tax id number is your social security number.

When you go to <http://fedgov.dnb.com/webform> website, you'll see a screen like the one shown here and right in the middle you'll see the link to request a DUNS number. If you click on that link, you'll see this screen right here. You'll select the country, and then you'll click on iUpdates. If you ever change your business name or location, etc. you'll need to update your Dun & Bradstreet information as well. Then you'll continue on and you'll get to the three boxes here. The box in the middle is for everyone who is new to Dun & Bradstreet or government contracting. So in the middle box, click on the Start Now link. Then you'll go through the five step process to complete the Dun & Bradstreet registration. You'll need to enter you're full legal name, professional title and any professional licenses. Business email address and phone number are required, then enter your personal home address, name of business,

and business address. It's very important if you have a pop-up blocker on to turn that off during this registration process. The Recaptcha window at the bottom might not show up if you have the blocker on. So in your internet web browser you'll need to disable your pop-up blocker. Once you've entered in all your information, it will then ask you some security questions to make sure who you are and you should be all set.

Once you have that done, you'll need to visit Sam at the secure site: <https://www.sam.gov>. This is the free system posted by the federal government. There are systems out there that look very similar to SAM that are not from the federal government and they will charge you money to register. Keep in mind this is a free registration and you can do this yourself. First you'll need to create a user account and this account will activate you so you can log in anytime. Here's the screenshot of SAM.gov and you'll see a giant arrow pointing to the Create an Account link. This link is where you'll first want to go, whether you're creating an account for the first time or migrating your account from CCR, you'll need to complete this step. Everyone will want to create an individual account. It'll ask for your name, email address, and physical address. On the next screen, you'll create a user id. This is important because you can only create a username once in SAM and it can never be changed. Your password, however, can be changed in the future. When you create a password, you'll need to follow the guidelines that it gives you in the Content Glossary screenshot, including what you need to do for special characters, capitalization, etc. Then you'll create three security questions that are unique to you. Remember these especially if you need to request a new password. After you hit submit, you'll receive an email from the Federal Help Desk and you'll need to click on the link to validate the registration. Then your account has been created.

Once you login to SAM, it'll have the welcome page showing. If you're new, on the left hand column where it says My SAM it'll have a link to Register a New Entity. If you currently have an account in CCR, which is probably now inactive, you'll need to migrate a legacy account system account. It says under your name "Would you like to migrate a legacy system account?" and you would click Yes and then type in the email address that was attached to the old account. By doing so, you'll be able to migrate your account and then you'll go back to this home screen here, click on Manage Entity. Once you do get in, you're going to enter in information. The first thing it will ask for is your DUNS number. It'll show you information you've entered and the information for that DUNS number from Dun & Bradstreet. Now if you've recently updated your information at Dun & Bradstreet, you'll need to click the Refresh D&B Data link to show the updated details.

Everything in the left hand column will need to have a check mark indicating completion for every bullet in the Core Data section in order to proceed to complete the registration. The first section will be your business information: DUNS number, business start date, fiscal year end date, company divisions if any, company website if any, mailing address and tax id number. You can use this list a cheat sheet when you are getting ready to create your SAM profile if you haven't done so already. By having all this information ahead of time, you can complete this process in 45 minutes to an hour including typing and submitting. The next section will be the IRS and PIN consent section. The IRS will validate all of the information you enter into SAM, so you'll want to make sure that the company name you enter is the same as on your IRS tax forms- your legal corporate name with whatever periods, parentheses,

abbreviations, etc. You'll need your taxpayer name, your taxpayer address, the last year you filed your taxes, name of the individual executing consent, and signature or MPIN. Your MPIN is your marketing and personal identification number. This is a nine character, alphanumeric code that you created at the step on the previous slide (34) that you create as your digital signature for the IRS consent. Some people may have a CAGE code if they've done work internationally. If you are renewing your application through SAM, you would already have one. If this is a new application in SAM, you will not have one. A CAGE code is your Commercial and Government Entity code. DLA and similar organizations use these codes to identify you. Again, if you are new to government contracting, you will not have a CAGE code, so just click the box here that says no.

The next section is general information, including country and state of incorporation. If you or anyone in your company has a security clearance, enter in their name and the highest level of security clearance. It's not required to have a security clearance to work with the government for a majority of the contracts, but if you do have it please enter it.

Then there is a business and organization section. You'll put in your organization's type, whether it's a sole proprietorship, LLC, partnership, etc. You'll enter your profit structure, whether you are for-profit or non-profit, and your socioeconomic categories, whether your majority ownership is a woman-owned, minority, HUBZone, 8(a), veteran, service-disabled veteran, small disadvantaged business, or Native American. If you have any joint ventures that qualify for socioeconomic categories, you'd enter that here as well. They are all check boxes where you can check off everything and it's actually very easy to use. If you do need any help with identifying your socioeconomic categories, you can contact your local PTAC, SBA or Small Business Development Center office.

The next section is your financial information. Please note everyone this information is not available on a public search, only on the back end used by government agencies. If you have any delinquent federal debt, you need to report that in this system. You'll enter your Electronic Funds Transfer information, your bank account routing number, and who will be the contact at your local bank, whether it's a phone or fax number or an email address. Again, this information is not publicly shared with anyone.

Then you can answer your executive compensation questions. Not everyone is required to do this. If 80% of your company's work is with the government or worth \$25 million or more, then you are required to answer these executive compensation questions. So if currently you are doing less than 80% of your company's work or \$25 million worth of sales with the government, you do not need to answer these questions. Then you have the option to opt out of public searches. I always encourage everyone to opt in so that agencies and contractors can actually find you without having to log in to a government system. Next is goods and services, which is what you do and you'll enter them using NAICS codes, or North American Industrial Classification System codes. You can search for these codes in SAM. I encourage people to do this ahead of time by going to www.census.gov/naics. Once there, you can search for all the up-to-date codes, search by keywords for what you do, and write down all of your codes. I believe you can add up to 500 NAICS codes in SAM, and I encourage you not to add that many in your registration. If you have the capabilities and it is your traditional day-to-day work, please put in all the codes that apply to your business in SAM.

Also you will enter your point of contacts. You'll enter in your electronic business point of contact, your contracting point of contact, and different points of contact for account payable. You can put in alternates as well in case the primary point of contact is unavailable. Then you'll enter in your size metrics, or total receipts of your company averaging over the last three years. You need the total number of employees over the last 12 months. Based upon the industry code, some are classified by dollar value and some are classified by number of employees, it will determine whether you are a 'small business' or an 'other than small business'. Please put that information in there. In 365 days, you are required to renew your SAM.gov registration, so make sure you update those numbers every year. Next you'll have the option to put in your company's bonding levels so please enter that in SAM. You are not required to post your bonding level in SAM but the option is there if you do want to include any type of federal bonding for projects.

The next thing you'll have to do is known as 'reps and certs,' which was known as ORCA. There are 31 questions that respond to the FAR, or Federal Acquisition Regulations. I will not go over them except to say they are yes or no questions and they usually correlate to a FAR clause. If you don't know the answer, a link is provided to the FAR clause that you can click on for more information.

Finally you are done with your SAM registration! Right before the submit button, there will be another button for Dynamic Small Business Search. It's not required, but I highly encourage you to do it as it's extremely valuable for you to access this. It'll take you to the SBA system, pulling over a majority of your data from SAM. A couple of additional features in this system are you can use keywords to describe your company, add scope of work as well as references. This is a valid form for government agencies to use for market research. I do know a lot of government agencies that I work with on a day-to-day basis that use this system to find qualified people to do work for the government, so the more information you can add to this, the more likely you will come up from searches in the system. It's important for you to get in this Dynamic Small Business Search system and the only way to get into it is through your SAM registration. If you need to update it, log in to SAM, click on your Dynamic Small Business Search profile link and edit your information.

Hit the submit button and it will say congratulations, you have submitted your application. You'll wait for it to review and approve you after that. You'll receive a couple of emails from SAM after submitting, including approval for the IRS consent, and approval for the CAGE code. By passing both of those, you'll be eligible to work with the federal government and receive an award-the term active will be next to your company name in SAM. If you do receive any feedback errors or invalidation, please feel free to contact your local PTAC and they'll help you troubleshoot that problem to get your account active in the near future. It currently takes about 3-5 days for the SAM account to go through, and an additional 2 days for the Dun & Bradstreet information, so you're looking at a little over a week for everything to go through properly. With the matchmaker around the corner, it may be to your benefit to get this done today, tomorrow or early next week to make sure you are in the system prior to meeting government agencies. The more prepared you are, such as someone asking and you can tell them what your DUNS number is or your CAGE code, will show them that you are ready to do work with the federal government. So it'd be very handy for you to have everything squared away by that time.

Now we're going to talk about types of procurements, or the way you can actually receive awards. Here is a list of not all the types of procurements, but if you do want to see a complete list, you can go to the FAR part 16 which lists all the types of contracts and definitions of how they are used. I've listed some of the more popularly used ones here seen on a regular basis. You'll see the Firm Fixed Price Contract. This is what you'll traditionally see, where you put together a proposal and the government will award you the proposal and pay you the price you quoted. In the Fixed Price Incentive Fee Contract or FPIF, you tell the government your fixed price but you also will receive an incentive fee for your performance. On every federal project you get rated with good, average or poor ratings. Based upon your rating, in FPIF contracts you could receive an additional fee.

The Cost Plus Fixed Fee contract is the cost of all of your materials and the cost of what it took for you to do the work plus a fixed fee, such as \$10,000 for example, for your profit above your costs. In a Cost Sharing Contract, the contractor receives no fee and is reimbursed only for the agreed upon portion of allowable costs. Keep in mind that when working with the government that allowable costs are very important and are determined by your OMB circular. Then you have Cost Plus Award Fee contracts, which have the cost of your project plus a fee. The fee is to your benefit because you get paid by the government based on your performance whether it is rated as good, average or poor. Then you have Cost Plus Incentive Fee, with incentives which can be anything you agree upon prior to the contract, such as timing, materials used, or providing service after the contract. There's a lot of different avenues based upon your agreement with the government agency for your costs plus whatever the incentive is. This type of contract encourages stronger contractors to perform very well.

Also you have an IDIQ, which is an indefinite delivery, indefinite quantity contract. When you are needed, you will be called to do work upon over a fixed period of time to perform the contracted work. This is very similar to a blanket purchase agreement (BPA), which can be used for anything and has a number of people that can be on the agreement for a fixed amount of time, usually 5-10 companies on the list. I'll use an example of snow removal. There may be five companies on the BPA for snow removal, and you may be called upon 90% of the time and the other companies may not be called at all. A blanket purchase agreement can cover any type of business, traditionally small businesses, but if you have a socioeconomic category that favors the government agency's needs to meet a goal, you may be put under a preference for that BPA. BPAs are a very good way to be on a short list of people. More and more we are starting to see reverse auctions come into play. A reverse auction is basically eBay but upside down, where the lowest price will win. A lot of different government agencies are using this and they contract through commercial companies as well for reverse auctions. So these are a useful forum for you to get the lowest price available to the government.

Also you have purchase cards, or government credit cards, which can be used traditionally for anything under \$3,000 though things of higher dollar value can be purchased. Purchase cards can be used for any size business, large or small, and you do not have to go through the traditional process of filling out a proposal. You can just submit an invoice to them and they can pay you with a credit card. It's an easy way of doing government work. I just saw the 77% of government contracts is done through credit cards. There is a lot of small purchasing done by the government with credit cards. A little side note on that-if your business is not currently set up to take credit cards, you may want to do so. The government

does accept terms like using PayPal or swipe card or squares attached to your phone, which are secure methods for the government to pay you as well. You may want to keep this in mind when creating your business plan and structure. If you're already operational, it is an additional benefit to the government that they can pay you with credit cards.

Lastly, I am going to talk a little bit about GSA contracts. With GSA, you can actually apply to be on a schedule based up what your product or service is. You'll negotiate with GSA your prices and your rates. That way if a government agency wants to work with you, they'll know what they can buy it for and they can actually go to a database called GSA Advantage and buy things right there from you. Like on Amazon.com, they can find a product, add it to their cart, and buy it online. GSA does have requirements for years in business, traditionally two years in business, to get on a GSA schedule. If you are interested in more on GSA, you can go to www.gsa.gov and go through their website to find out more information on each individual schedule, what companies have individual schedules currently, and wealth of information about GSA systems. If you go to www.elibrary.gsa.gov, you can search for schedules and find what will work for you and then it will take you to www.fbo.gov where you'll download your official package.

Really quickly, I'll put this slide back up there again, here's the local PTACs in New York State. If you're from out of state or you need help finding what help is available to you, feel free to send me an email. Here is my email address: sbarr@northcountryptac.com or you can contact Nick Burkhard who works with me here in the Watertown office at nburkhard@northcountryptac.com. To find out who your local contact is or any other questions, we're more than happy to help. That concludes today's presentation. Hopefully you were able to gather some information about the steps that are required to do work for the federal government. If you do need help page by page, line by line with your SAM registration or just a general question, please contact your local PTAC.